



Overseas investors investing in the New Zealand housing stock

The issue:

The housing situation in Auckland has had a lot of media attention recently, with stories of families living in cars and an increasing number of homeless people in the city, while houses remain unoccupied. Some people have suggested that overseas investors are to blame for pushing the prices of housing up to unaffordable levels.

In a recent poll, we asked New Zealanders to tell us how much of an effect they felt overseas investors had had on the current housing stock and whether they believed overseas investors should be able to buy property in New Zealand.

The poll was conducted with a nationally representative sample of 500 adult New Zealanders in August 2016.

The poll questions:

The following questions were asked:

Q1. There is currently a debate about how much overseas investors have contributed to the housing situation in Auckland. Some say they have had little effect, others say they have had a big effect. How much of an effect do you believe they have had?

The following options were read out:

1. No effect
2. Little effect
3. Some effect
4. Big effect
98. Don't know

Q2. In your personal opinion, should overseas investors be able to buy residential property in New Zealand?

1. Yes
2. No
98. Don't know



Key results:

The key results are as follows:

- ◆ Nearly one-half of respondents (45 percent) stated that, in their opinion, overseas investors had had a 'big effect' on the housing situation in Auckland. Another 27 percent felt they had had 'some effect', which when added to the 45 percent, becomes 72 percent in total.
- ◆ In contrast, two percent stated that overseas investors had had 'no effect' and 13 percent felt they had had 'little effect'.

Table 1: Perceptions of the effect of overseas investors on the Auckland housing situation

	Base =	Total 500 %
No effect		2
Little effect		13
Some effect		27
Big effect		45
Don't know		14
Total		100

Total may not sum to 100% due to rounding.

- ◆ Significantly, most respondents felt that overseas investors should not be able to buy residential property in New Zealand (57 percent, compared with 36 percent who felt they should be able to buy residential property).
- ◆ The following table shows that opinions about overseas investors being able to buy residential property is positively correlated with opinions about the effect overseas investors have had on the Auckland housing situation. For example, 68 percent of respondents who felt that overseas investors had had a 'big effect' felt they should not be able to buy residential property, compared with 49 percent of respondents who felt overseas investors had had 'no/little effect'.

Table 2: Agreement that overseas investors should be able to invest in residential property in New Zealand (by perceptions of the effect)

	Base =	Total 500 %	Big effect 228 %	Some effect 131 %	No/little effect 74 %
Yes		36	25	49	51
No		57	68	46	49
Don't know		7	6	5	1
Total		100	100	100	100

Total may not sum to 100% due to rounding.



Demographic differences:

We also analysed the results to these questions by a number of demographic variables including: age, gender, income and region. The results are as follows:

- ◆ There are no significant differences when the results are examined by age, gender or region.
- ◆ There are, however, significant differences by **income**. For example:
 - ◆ Respondents on a higher income of **\$80,000 or more** were less likely to say overseas investors had had a big effect on the housing situation in Auckland (37 percent, compared with 52 percent of both those on a lower income of under \$40,000, and those on a medium income of \$40,000 to \$80,000).
 - ◆ Respondents on a higher income of **\$80,000 or more** were also more likely to say overseas investors should be able to buy residential property in New Zealand (42 percent, compared with 30 percent of those on a lower income of under \$40,000).

Comment:

“These results clearly point to the fact that many New Zealanders believe that overseas investors have and could further impact the Auckland housing situation”, said Research New Zealand Director, Emanuel Kalafatelis.

The Research New Zealand poll of 500 people aged 18 and over was conducted by telephone from 9 August to 1 September 2016. The maximum margin of error for the sample as a whole is +/-4.9% (at the 95% confidence level). The data has been weighted by gender and age to ensure it is an accurate representation of the general population of New Zealand. The poll was not taken on behalf of any organisation, but is part of Research New Zealand’s monthly survey of attitudes and opinions.

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TABULATIONS

Table 3: Perceptions of the effect of overseas investors on the housing market (by income)

	Base =	Total	Under \$40,000	At least \$40,000 but less than \$80,000	\$80,000 or more
		500	165	122	148
		%	%	%	%
No effect		2	2	3	1
Little effect		13	10	10	16
Some effect		27	24	22	35
Big effect		45	52	52	37
Don't know		14	13	13	11
Total		100	100	100	100

Total may not sum to 100% due to rounding.

Table 4: Attitudes to whether overseas investors should be able to buy residential property in New Zealand (by income)

	Base =	Total	Under \$40,000	At least \$40,000 but less than \$80,000	\$80,000 or more
		500	165	122	148
		%	%	%	%
Yes		36	30	38	42
No		57	62	55	53
Don't know		7	9	7	5
Total		100	100	100	100

Total may not sum to 100% due to rounding.